

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Annual Compliance Report, 2021

Docket No. ACR2021

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued January 10, 2022)

To clarify the basis of the Postal Service's FY 2021 *Annual Compliance Report* (ACR), filed December 29, 2021,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than January 18, 2022.

Customer Access

1. The following concerns self-service kiosks (SSKs).²
 - a. Please provide the total number of SSKs in operation at the end of FY 2021.
 - b. Please provide the number of SSKs that were in operation at the end of FY 2021 by Retail and Delivery Operations area: Western-Pacific, Southern, Central, and Atlantic.
 - c. Please describe any formal plan(s) for the addition or removal of SSKs during FY 2022.

¹ United States Postal Service FY 2021 *Annual Compliance Report*, December 29, 2021 (FY 2021 ACR).

² SSKs were previously referred to as Automated Postal Centers.

2. Please provide the proportion of collection boxes for which the last mail pickup time is:
 - a. Midnight to 11:59 a.m.
 - b. Noon to 2:59 p.m.
 - c. 3:00 to 4:59 p.m.
 - d. 5:00 p.m. to 6:59 p.m.
 - e. 7:00 p.m. to 11:59 p.m.
 - f. For each response in question 2.a. through 2.e., please provide the proportions for Monday-Friday and Saturday-Sunday separately, if applicable.
3. Please provide a table detailing the following information regarding Village Post Offices (VPOs):
 - a. The number of VPOs at the beginning of FY 2021.
 - b. The number of VPOs opened in FY 2021.
 - c. The number of VPOs closed in FY 2021.
 - d. The number of VPOs at the end of FY 2021.
 - e. If the Postal Service's responses to this question differ from the numbers provided in response to question 6, below, please reconcile any discrepancies.

4. Please provide a table detailing the following information regarding community Post Offices (CPOs):
 - a. The number of CPOs at the beginning of FY 2021.
 - b. The number of CPOs opened in FY 2021.
 - c. The number of CPOs closed in FY 2021.
 - d. The number of CPOs at the end of FY 2021.
 - e. If the Postal Service's responses to this question differ from the numbers provided in response to question 6, below, please reconcile any discrepancies.
5. Please provide a table detailing the following information regarding contract postal units (CPUs):
 - a. The number of CPUs at the beginning of FY 2021.
 - b. The number of CPUs opened in FY 2021.
 - c. The number of CPUs closed in FY 2021.
 - d. The number of CPUs at the end of FY 2021.
 - e. If the Postal Service's responses to this question differ from the numbers provided in response to question 6, below, please reconcile any discrepancies.

6. Please fill in the table below in accordance with the Postal Service's records for FY 2019, FY 2020, and FY 2021. If the numbers provided in the table differ from those listed in the FY 2020 *Annual Compliance Determination*, FY 2021 ACR, Library Reference USPS-FY21-33, FY 2021 Annual Report to Congress, or responses to this Chairman's Information Request, please reconcile any discrepancies among these sources.³

Facility Type	FY 2019	FY 2020	FY 2021
Post Offices			
Classified Stations & Branches and Carrier Annexes			
Total Postal-Managed			
Contract Postal Units			
Village Post Offices			
Community Post Offices			
Total Non-Postal-Managed			
Total Retail Facilities			

7. The Postal Service states, "Average wait time in line increased at the national level from 2 minutes 26 seconds in FY 2020, to 2 minutes 48 seconds in FY 2021." FY 2021 ACR at 78. Please explain why wait time in line increased in FY 2021.
8. Please submit the most recent version of Handbook PO-101, Postal Service-Operated Retail Facilities Discontinuance Guide.

³ See Docket No. ACR2020, *Annual Compliance Determination*, March 29, 2021, at 211, Table V-13; FY 2021 ACR at 78; Library Reference USPS-FY21-33, December 29, 2021; see Library Reference USPS-FY21-17, December 29, 2021, folder "USPS-FY21-17," folder "FY21.17.Annual.Report," file "FY 2021 Annual Report to Congress.pdf," at 27.

Periodicals

9. In Library Reference USPS-FY21-3, December 29, 2021, Excel file "FY21.3 Worksharing Tables.xlsx," tab "Passthrough Outside County," there are 19 passthroughs calculated for Outside County Periodicals.
 - a. Please confirm that 1 of the 19 passthroughs is above 100 percent.
 - b. Please confirm that 4 of the 19 passthroughs fall between 85 percent and 100 percent.
 - c. Please confirm that 14 of the 19 passthroughs are below 85 percent.
 - d. If question 9.c. is confirmed, please provide an explanation and describe future steps the Postal Service plans to take to remedy these passthroughs that are below 85 percent.
10. In Library Reference USPS-FY21-3, Excel file "FY21.3 Worksharing Tables.xlsx," tab "Passthroughs_WC," there are 11 passthroughs calculated for Within County Periodicals.
 - a. Please confirm that all 11 passthroughs are below 85 percent.
 - b. If question 10.a. is confirmed, please provide an explanation and describe future steps the Postal Service plans to take to remedy these passthroughs that are below 85 percent.

Schedule for Regular and Predictable Rate Adjustments

11. 39 C.F.R. § 3030.102(b) requires that the Postal Service "file a current Schedule for Regular and Predictable Rate Adjustments annually with the Commission at the time of filing the Postal Service's section 3652 report." 39 C.F.R. § 3030.102(b).
 - a. Please confirm that the required Schedule for Regular and Predictable Rate Adjustments was not filed "at the time of filing the Postal Service's

section 3652 report” and provide a Schedule for Regular and Predictable Rate Adjustments meeting the requirements of 39 C.F.R. § 3030.102(a).

- b. If question 11.a. is not confirmed, please explain.

USPS Marketing Mail

- 12. Please refer to Library Reference USPS-FY21-3, Excel file “FY21.3 Worksharing Tables.xlsx,” tab “Marketing Mail Letters.” Please also refer to Docket No. ACR2020, Library Reference USPS-FY20-3, December 29, 2020, Excel file “FY20.3 Worksharing Tables.xlsx,” tab “Marketing Mail Letters.”
 - a. Please confirm the following three discounts are present in Library Reference USPS-FY20-3 but are absent from Library Reference USPS-FY21-3:
 - i. Non-automation ADC Non-machinable Letters
 - ii. Non-automation 3-digit Non-machinable Letters
 - iii. Non-automation 5-digit Non-machinable Letters
 - b. If question 12.a. is confirmed, please explain and provide an updated version of Library Reference USPS-FY21-3 as necessary.
 - c. If question 12.a. is not confirmed, please specify where the identified discounts in question 12.a.i. through 12.a.iii. were reported.

Service Performance

13. The Postal Service states that “[a]s it did in the last half of FY 2020, high levels of employee absenteeism due to the COVID-19 pandemic negatively affected the Postal Service’s ability to staff its operations appropriately to support on-time service performance.” FY 2021 ACR at 50.
- a. Please explain in detail how reduced employee availability due to COVID-19 impacted on-time service performance results for Market Dominant products nationwide during FY 2021. In the response, please explain how reduced employee availability due to COVID-19 concentrated in one facility and/or concentrated on a particular processing operation impacted on-time service performance at other facilities and/or downstream processing operations.
 - b. For each impact identified in response to part a. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.
 - c. Please identify any efforts made by the Postal Service to mitigate the impacts identified in response to part a of this question and explain in detail how these efforts impacted on-time service performance results for Market Dominant products during FY 2021.
 - d. For each impact identified in response to part c. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.

- e. Please explain in detail how the Postal Service plans to mitigate the impact of reduced employee availability due to COVID-19 on service performance for Market Dominant products in FY 2022.
 - f. Please discuss the impact that any plans identified in response to part e. of this question are expected to have on the FY 2022 on-time service performance results for Market Dominant products.
 - g. Please explain how the Postal Service plans to monitor the efficacy of its plans identified in response to part e. of this question during FY 2022 and identify the metric(s) that will be used.
14. The Postal Service attributed increased COVID-19 related absenteeism in FY 2020 to use of family leave, primarily to childcare needs.⁴ Please identify whether use of family leave was the primary cause of COVID-19 related absenteeism in FY 2021, provide quantitative support for this response, and identify the metric(s) used. If quantitative support is unavailable, please so state, explain why it is unavailable, and provide qualitative analysis to support the response.
15. The Postal Service states that “[t]he pandemic also affected air and surface transportation contractors, who are essential to achieving service performance targets” and specifically notes that “Postal Service operations were greatly affected by continued reductions in commercial air lift, as airlines reduced the number of flights, changed schedules, and used smaller airplanes with less capacity for mail and package cargo space.” FY 2021 ACR at 50.
- a. Please explain in detail how these reductions and changes impacted on-time service performance results for Market Dominant products during

⁴ United States Postal Service, Office of Inspector General, Report No. 20-275-R21, Mail Service During the Early Stages of the COVID-19 Pandemic, January 4, 2021, at 12, available at <https://www.uspsoig.gov/sites/default/files/document-library-files/2021/20-275-R21.pdf> (OIG Report No. 20-275-R21).

FY 2021. In the response, please explain how COVID-19 related reductions and changes concentrated in one location impacted on-time service performance at other facilities and/or downstream processing operations.

- b. For each impact identified in response to part a. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.
16. The Postal Service states that it attempted to mitigate COVID-19 related transportation issues “by using alternative and additional transportation suppliers.” *Id.*
- a. Please explain in detail how these (and any other) Postal Service efforts to mitigate COVID-19 related contract transportation constraints impacted on-time service performance results for Market Dominant products during FY 2021.
 - b. For each impact identified in response to part a. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.
 - c. Please explain in detail how the Postal Service plans to mitigate the impact of COVID-19 related contract transportation constraints on service performance for Market Dominant products in FY 2022.
 - d. Please discuss the impact that any plans identified in response to part c. of this question are expected to have on the FY 2022 on-time service performance results for Market Dominant products.

- e. Please explain how the Postal Service plans to monitor the efficacy of the plans identified in response to part c. of this question during FY 2022 and identify the metric(s) that will be used.
17. The Postal Service states that “[t]he unprecedented level of package volume received during peak season FY 2021 impeded the flow of mail from being processed timely through postal facilities and contributed to poor First-Class Mail and Marketing Mail performance during peak season and subsequent months.” *Id.* at 49.
- a. Please explain in detail how the increase in package volumes impacted on-time service performance results for Market Dominant products during FY 2021.
 - b. For each impact identified in response to part a. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.
18. The Postal Service states that in response to this increased package volume, it “took a number of steps to increase [its] peak season capacity for FY 2021, including hiring more workers and deploying peak season annexes to provide additional processing capacity.” *Id.*
- a. Please explain in detail how these (and any other) Postal Service efforts to mitigate the effects of the increased package volume impacted on-time service performance results for Market Dominant products during FY 2021.
 - b. For each impact identified in response to part a. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain

why it is unavailable, and provide qualitative analysis in support of the identified impact.

- c. Please explain in detail how the Postal Service plans to mitigate the impact of COVID-19 related package volumes on service performance for Market Dominant products in FY 2022.
 - d. Please discuss the impact that any plans identified in response to part c. of this question are expected to have on the FY 2022 on-time service performance results for Market Dominant products.
 - e. Please explain how the Postal Service plans to monitor the efficacy of its plans identified in response to part c. of this question during FY 2022 and identify the metric(s) that will be used.
19. The Postal Service states that service performance in FY 2021 was negatively affected by network disruptions caused by natural disasters and extreme weather events. *Id.* at 49-50.
- a. Please identify and describe all such network disruptions impacting service performance in FY 2021.
 - b. For each network disruption listed in response to question a.:
 - i. Please provide a detailed description of the event, including the timing of the event and the geographic area affected.
 - ii. Please explain how such event disrupted the Postal Service's network (*i.e.*, which processing phases were impacted and how they were impacted).
 - iii. Please identify the impact that such event had on the Postal Service's service performance in FY 2021. For each impact identified, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an

identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.

- c. Please identify any Postal Service efforts to mitigate the effects of natural disasters and weather events on service performance for Market Dominant products during FY 2021 and explain in detail how these efforts impacted on-time service performance results.
 - d. For each impact identified in response to part c. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.
 - e. Please explain in detail how the Postal Service plans to mitigate the impact of natural disasters and weather events on service performance for Market Dominant products in FY 2022.
 - f. Please discuss the impact that any plans identified in response to part e. of this question are expected to have on the FY 2022 on-time service performance results for Market Dominant products.
 - g. Please explain how the Postal Service plans to monitor the efficacy of its plans identified in response to part e. of this question during FY 2022 and identify the metric(s) that will be used.
20. The Postal Service states that, as part of its 10-Year Strategic Plan, it intends to improve service performance by improving its transportation network and “modernizing and investing in critical resources to include additional employees, expanded space capacity, state-of-the-art equipment, and additional logistics capability.” *Id.* at 53-54.

- a. Please discuss the impact that each of the strategies identified above are expected to have on the FY 2022 on-time service performance results for Market Dominant products.
 - b. Please explain how the Postal Service plans to monitor the efficacy of its strategies identified in response to part a. of this question during FY 2022 and identify the metric(s) that will be used.
- 21. Please provide a table containing the nationwide volume of:
 - a. political mail that the Postal Service delivered in each month of FY 2021.
 - b. election mail that the Postal Service delivered in each month of FY 2021.
- 22. Please provide the volume and percent of Market Dominant mail measured by Full-Service Intelligent Mail Barcode (IMb) in FY 2021 disaggregated by mail class (e.g., First-Class Mail, USPS Marketing Mail, Periodicals, and Package Services). Please present results disaggregated by fiscal quarter and the total for the fiscal year.

23. Please provide the information requested in the following table for FY 2021:

Product	Percentage of Mail in Measurement	Percentage of Mail entered at Full-Service IMb prices and included in measurement	Percentage of Mail Processed as Full-Service IMb, but excluded from measurement
First-Class Mail			
Presorted Letters/Postcards			
Flats			
USPS Marketing Mail			
High Density and Saturation Letters			
High Density and Saturation Flats/Parcels			
Carrier Route			
Letters			
Flats			
EDDM-Retail			
Parcels			
Total USPS Marketing Mail			
Periodicals			
In-County			
Outside County			
Package Services			
Bound Printed Matter Flats			
N/A = Not Applicable			
Not Available = The Postal Service does not have this information available.			

24. The following subparts pertain to the Postal Service's FY 2021 service performance targets for Market Dominant products.
 - a. Please explain the rationale for changing service performance targets for Market Dominant products from FY 2020 to FY 2021.
 - b. Please identify and explain the criteria, data, and methodology used to develop the FY 2021 service performance targets for Market Dominant products.
25. The following subparts pertain to the Postal Service's FY 2022 service performance targets for Market Dominant products.
 - a. The Postal Service states that its 10-Year Strategic Plan "is designed to achieve...service excellence, defined as meeting or exceeding 95 percent on-time delivery across all product categories." FY 2021 ACR at 53, 56. However, the Postal Service states that until the 10-Year Strategic Plan is fully implemented, the Postal Service will set interim service performance targets. *Id.* at 56.
 - i. Please explain the rationale for using interim service performance targets.
 - ii. Please identify the interim FY 2022 service performance targets for Market Dominant products.
 - iii. Please identify and explain the criteria, data, and methodology used to develop the interim FY 2022 service performance targets for Market Dominant products.
 - iv. Does the Postal Service expect on-time service performance for each Market Dominant product to meet or exceed the applicable interim service performance targets in FY 2022?

1. If the answer is yes, please explain how the Postal Service will ensure that the interim service performance targets are met.
 2. If the answer is no for any products, please explain the basis for the Postal Service's answer.
26. Please confirm that going forward, the Postal Service will provide to the Commission quarterly and annual service performance results using the new Region/Division structure as well as continue reporting using the legacy Area/District structure (as required by 39 C.F.R. part 3055).⁵ If not confirmed, please state when the Postal Service expects to file a petition with sufficient supporting justification to seek relief from the requirements of 39 C.F.R. part 3055 for future service performance measurement data reports. See Order No. 5844 at 2.
27. The Postal Service previously explained that it has been forced to absorb additional volume offloaded by private companies, including during the holiday mailing season in FY 2021, Quarter 1.⁶ Please identify how much volume was offloaded from private companies and absorbed by the Postal Service for delivery in FY 2021, disaggregated by month.
28. In its audit report titled "Trips Operating More than Four Hours Late," the Office of the Inspector General observed that the Postal Service determined whether critically late trips (CLTs) were caused by suppliers, Postal Service processing

⁵ See Order Granting Extension of Time and Providing Additional Instruction Regarding Future Reports, March 8, 2021, at 2 (Order No. 5844), available at <https://www.prc.gov/docs/116/116257/Order%20No.%205844.pdf>.

⁶ See Docket No. ACR2020, Responses of the United States Postal Service to Questions 1-11 of Chairman's Information Request No. 15, February 18, 2021, question 10.a; see also FY 2021 ACR at 49-50.

issues, or events outside both parties' control (such as inclement weather) for the audited period.⁷

- a. Please provide the total number of CLTs, disaggregated by cause, for FY 2020 and FY 2021, disaggregated by month. Please include in this determination the criteria used by the Postal Service to assign a late reason code to a given delay.
 - b. Please identify the initiatives used by the Postal Service to remedy or mitigate each category of causes of CLTs.
29. In its Annual Compliance Determination,⁸ to address CLTs, the Commission recommended that the Postal Service develop a metric to “isolate delays specific to moving mail between processing facilities” and “monitor and ensure that Administrative Officials adhere to the established process of taking progressive corrective actions against an underperforming supplier and document such actions as they occur.”
- a. Please identify, within the Postal Service's new internal organization, which department(s) are responsible for monitoring/ensuring Administrative Officials follow the established process.
 - b. Please confirm that the Postal Service reissued the management directive concerning Administrative Officials to all personnel responsible for ensuring that Administrative Officials follow the established process.

⁷ See United States Postal Service, Office of Inspector General, Report No. 21-116-R22, Trips Operating More than Four Hours Late, November 8, 2021, at 1, available at <https://www.uspsoig.gov/sites/default/files/document-library-files/2021/20-275-R21.pdf> (OIG Report No. 21-116-R22).

⁸ Docket No. ACR2020, Annual Compliance Determination, March 29, 2021, at 114, 116 (FY 2020 ACD).

- i. If confirmed, please state when the directive was reissued and whether all Administrative Officials received the directive and certified.
 - ii. If not confirmed, when is this expected to occur and who is expected to recertify?
- c. Please identify whether any changes were made to the annual Administrative Officials accountability certification.
 - i. If yes, when did these changes occur and did all Administrative Officials receive the updated certification?
 - ii. If no, who is expected to receive the accountability certification and when will it be issued?
- d. Please describe any progress made on evaluating the feasibility of including liquidated damages contract clause for suppliers at fault for CLTs. Specifically, please describe what steps have been taken (or are intended to be taken) and when these steps went into effect (or are expected to go into effect).

By the Chairman.

Michael Kubayanda